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ABSTRACT

The approaches to employability being taken by United Kingdom employers were examined in a study that included three components: a literature review to develop a definition of employability and isolate its key elements; case studies of six organizations to identify employers' approaches to employability; and examination of related literature on lifelong learning and individual responsibility for career development. Four main elements of employability were identified. The first three are analogous to the concepts of production, marketing, and sales; the fourth element is the marketplace in which they operate. The following four approaches to employability were discovered: (1) explicit recognition that there are no more jobs for life and that individuals must, therefore, prepare themselves for career transitions; (2) reduction of the pain of reducing staff size by increasing departing employees' chances of finding another job; (3) inplacement or redeployment of staff whose skills are less in demand; and (4) maximization of employee retention by enhancing employees' employability. Special attention was given to the factors driving employers' selection of an approach. A range of practices that employers could adopt to increase employees' employability were identified, and a checklist to help employers develop a comprehensive employability policy was developed. (Contains 43 references.) (MN)

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Employability and Employers: the missing piece of the jigsaw

P Lamkin
J Hillage

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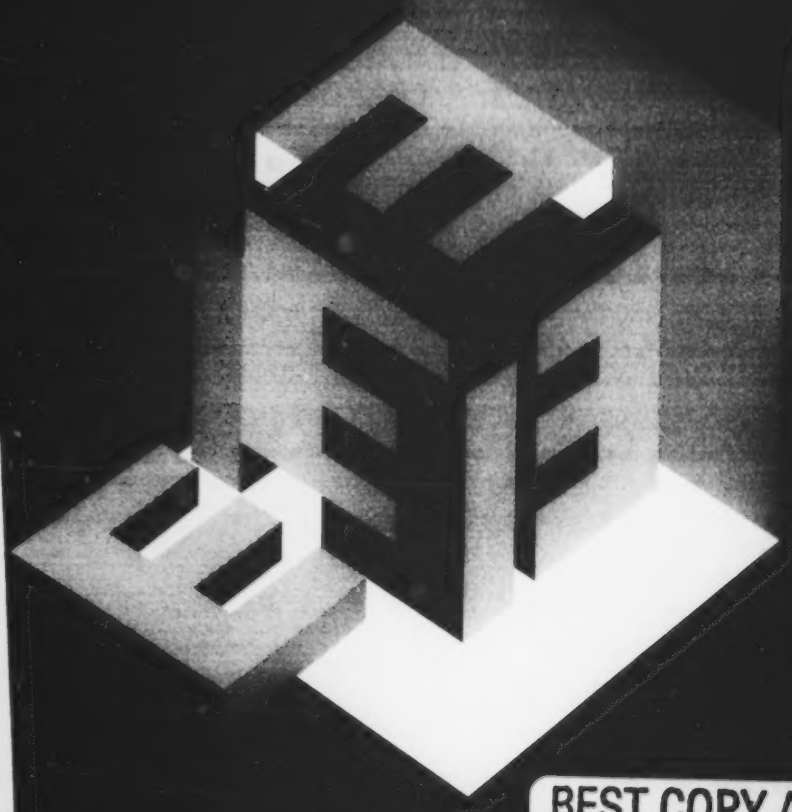

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Executive Summary

Employability is a concept that has joined the mainstream of individual, human resources and national policy vocabulary. It has been summoned as the means by which individuals can cope with changing employment conditions, organisations can maintain their ability to adapt and succeed, and the nation can enhance its competitiveness. However, despite such grand hopes, pinning down the concept can be elusive and turning the rhetoric into anything that can serve as a firm basis for action can be frustrating.

The role of employers in enhancing the employability of their staff is also unclear. Much of the literature is either cynical about the motivations and the actions of employers or exhorts employers to engage with employability as a 'good thing'. Why do employers actually involve themselves and what do they do in practice to help employees?

In this report we offer a definition of the concept that provides a framework for action. We explore the rationale behind employers' commitment and whether this makes sense in terms of the practical offering of assistance. Finally, we suggest what a response by employers should look like in the context of our definition and in our analysis of employers' responses.

A definition

What does employability actually mean — what is it that helps make an individual employable? Our definition suggests that we can separate out four main elements: the first three are analogous to the concepts of production, marketing and sales, and the fourth the marketplace in which they operate.

Assets

These comprise an individual's knowledge, skills and attitudes. We distinguish between:

- knowledge and skills, be they in terms of basic skills (eg numeracy, literacy etc.), or subject and occupation specific knowledge at different levels (eg from bookkeeping skills through to senior accountancy roles) and
- personal attributes and attitudes ranging from basic levels of reliability, common sense, attitude to work and integrity, through to those such as problem solving, initiative, self management and commercial awareness.

Previous definitions of employability have tended to stop here. These are not enough; people also need the capability to exploit their assets, to market them and sell them. Thus they also need:

Marketing and deployment skills

These inter-related skills include:

- career management
- job search skills, and
- approach — *ie* being adaptable to labour market developments, realistic about labour market opportunities, and willing to be occupationally and locationally mobile.

Presentation

Another key aspect is being able to get a particular job, and centres around the ability to demonstrate assets. This includes:

- the presentation of CVs *etc.*
- the qualifications individuals possess
- interview technique
- work experience/track record.

The personal and labour market context

Finally, and crucially, the ability to realise or actualise 'employability' assets depends on external factors, the

individual's personal circumstances and the inter-relationship between the two.

What are employers doing?

What do employers do about employability? What motivates them to do what they do? These were key questions for this research. We were able to identify four main approaches, with a fifth that appeared in specific environmental incidences.

The psychological contract

This approach evolves from an explicit recognition that there are no longer jobs for life and the view that therefore individuals need to prepare themselves for career transitions throughout their working lives. In recognition of their side of this 'contract' employers offer to provide development and experiences that enhance individuals' ability to find other work should their current employer no longer have need of them.

Softening the blow

The second approach involves those employers looking to shed labour with the minimum of pain. The underlying rationale for this approach is to maintain the commitment of the surviving staff — but the immediate effect for those leaving is to increase their chances of finding another job.

Inplacement: the flexible friendship

The inplacement or redeployment perspective is the opposite of outplacement and could be seen as a response to changing economic pressures. The primary need is the same, to move staff whose existing skill sets are less in demand. But whereas the trend was to external displacement of affected individuals, there are organisations that are looking to maximise the use of internal placement opportunities.

Keeping with kindness

This is a counter-intuitive strategy whereby employers maximise retention by enhancing employability. Staff are

offered training and development which is aimed at maintaining or enhancing their skills beyond that strictly necessary to fulfil the demands of the current job. In return, staff turnover is often lower than it might otherwise have been, as employees are pleased to maintain the currency of their skills and appreciate their employer's interest.

The community employer

The aim was to enhance the potential employment prospects of their own employees, in situations of insecurity *and* recognising the impact on the community of high levels of unemployment.

What drives employers' approaches?

When employers act to enhance the employability of their employees they do so in response to the drivers acting on them at that point in time. These drivers include:

- The qualities of the displaced staff
- the tightness of the external labour market
- the economic drivers operating at the point of the displacement
- the horizon of action
- the organisation's concerns that are motivating its actions.

If these drivers are considered alongside the approaches to employability that employers adopt we can begin to see a relationship between the drivers organisations experience, the time they have available for action, and the approaches that are sensible for them to adopt (see Table 4.1 page 44).

Putting policy into practice

Employers can do many things to enhance employability. In terms of developing and/or addressing.

On the basis of our research we conclude that while employers talk a lot about employability, relatively few go far beyond exhortation. Where they do, policies tend to:

- focus on a few staff groups and do not address the workforce as a whole

- smack of opportunism or necessity rather than deliberate strategy
- re-package existing career or development practices, rather than deliberately address the emerging needs of their workforce.

Very few offer a comprehensive or bespoke approach covering their entire workforce. But it can be done and there are competitive advantages to employers so to do.

In this report we outline a range of practices that employers could adopt to build the employability of their workforce. These include developing and/or addressing individuals':

- employability assets — *eg* skill development activities which seek to develop an individual's technical and vocational skill set, as well as softer skills such as leadership or communication. The more generic the skill, *ie* the wider its applicability, the more valuable it is in employability terms.
- marketing and deployment skills — *eg* a range of processes including appraisal (including 360-degree feedback), personal development planning, and career counselling procedures designed to promote vocational self-awareness and attitudes towards skill development *etc*.
- how people present their employability assets — *eg* processes to help people present their assets, accrediting skills, *eg* through NVQs, as well as being skilled in writing CVs, and application forms and undergoing selection interviews
- personal circumstances and the labour market — here employer recruitment and selection policies are crucial.

A checklist to help employers develop a comprehensive policy towards employability is presented on page 55.

In some ways employers are the missing piece of the employability jigsaw. Our research suggests that while some are taking this role seriously, many have still a long way to go.

1. Introduction

Employability is one of the catchphrases of the 1990s, labour market. It came to prominence towards the end of the last recession in the early and middle part of the decade, when employment security waned and employers looked to forge new relationships with their workforces. The notion of employability underpins much of the current government's employment strategy which seeks to maximise the numbers and the skills of those in work. Despite improvements in the wider labour market indicators, continued uncertainty over job prospects, and the desire to maximise the flexibility and performance of those in work, means that employability is likely to feature even higher on both the corporate and government employment agenda in the future.

However, what does employability actually mean and what can and are employers doing to enhance it and why? To answer these and other questions the members of the IES Research Club commissioned a brief review. This report presents the findings.

1.1 Objectives

In this report we pin down the concept of employability and explore employers' involvement in enhancing the employability of their workforce, what they are actually doing and what motivates them. Our aim was to examine the strategies employers adopt towards employability to see how these worked in practice and assess their impact.

1.2 Method

There are three main aspects to the study. First we conducted a review of other studies to develop a definition of employability and to unpick some of the key elements. Secondly, through case studies in six organisations we explored employers' approaches in detail. Finally, we also drew upon other research that IES has conducted in the areas of lifelong learning and individual responsibility for career development.

1.3 Structure of report

The report is divided into four further chapters:

Chapter 2 explores the notion of employability and develops a definition.

Chapter 3 describes employers' approaches and maps out a framework that helps describe the commonalities between them. We also explore whether employability is treated as being of relevance for everyone and who is primarily expected to take responsibility for individuals' employability.

Chapter 4 looks at the drivers experienced by organisations that give rise to their approaches to employability and the impact these have on policy and practice.

In Chapter 5 we look at what employers can do to turn employability policies into practice and examine a model of a fully encompassing response to employability, and how responses can be tailored appropriately to the individual circumstances of the organisation.

2. What is Employability?

Employability is a widely used concept, one that seems to capture the need for individuals to take charge of their own skill portfolio in the context of a more volatile and hostile labour market. But what exactly does the concept mean, can it be defined in a way that is helpful to the various stakeholders, *ie* the individual, employers and the State? We start our exploration of the concept by examining what others have said or written to see if we can develop a clear idea of what employability is and how it is formed and can be enhanced.

2.1 Origins of employability

The concept of employability has two distinct sets of antecedents:

- The changing nature of the employment contract between employers and employees, with 'employability' being offered instead of employment security — *ie* corporate origins.
- The changing directions of public employment policy with increasing emphasis on skills-based solutions to economic competition and work-based solutions to social deprivation — *ie* public policy origins.

2.1.1 Corporate origins

Within organisations, employability has been used in two related but distinct ways:

- as part of the new psychological contract between employers and employees
- as the means by which individuals can enhance their personal job security.

The psychological contract

In corporate personnel policy circles the notion of 'employability' developed as a replacement for employment security in the recessionary early 1990s. It is often seen as part of the 'new deals' (or new 'psychological contract') being offered to employees in an ever changing labour market, where the relationship between employer and employee is more explicitly transactional. In exchange for high levels of commitment and performance in the short term, employees are offered development and training opportunities to allow them to maximise their chances of getting another job if their current post becomes redundant.

Origins lie in the analysis of changing career patterns in the late 1980s, and the development of the idea of 'portfolio careers' in which people fulfil a number of roles and have greater responsibility for managing and selling their skills (*eg* see Handy, 1989).

The theory suggests that instead of being able to offer 'jobs for life', employers looked to individuals to take responsibility for their own career development. In return employers would offer them 'employability' (usually through some form of transferable training and development).

The concept underpins the basis of the perceived 'new psychological contract' between employers and employees (Herriot and Pemberton, 1995; Sparrow, 1997; Watkins and Drury, 1994) building on developments in the US and elsewhere. By the mid-1990s there are a number of references to employability in the press and careers literature. In 1994, Rajan, reviewing developments in the financial and business services labour market concentrated in the City of London, noted that employers were beginning to improve the 'employability of staff in the face of fewer promotional possibilities, so as to prepare them for further careers elsewhere.' (Rajan *et al.*, 1994). In 1996, an article in *The Economist*, talks about the notion of 'lifetime employability', which it defined as:

> *'Telling workers that they may lose their jobs if the company can no longer make effective use of them. But it also means giving them the skills they will need if they are to be able to get another job elsewhere.'*

Michael Bagshaw (1997) refers to employability as:

> *'The new form of job security. It involves a new mutual psychological contract where employers provide self-development for vulnerable employees (ie all employees) and employees take advantage of those opportunities.'*

However, the concept is not without its critics, and commentators began to question whether the reality matched the rhetoric. For instance Pascale (1996) was arguing that employability was 'wishful thinking masquerading as a concept' and a number of commentators have since questioned whether the ideas behind the 'new deal' contracts have ever been put into practice on anything like a wide scale (Rajan, 1997).

Enhancing individual job security

The psychological contract literature emphasises the mutuality of the contract between individual and employer: employers give enhanced employability in recognition of the loss of security. However, as we have seen, there have been doubts expressed that this is actually happening significantly in practice. The idea of employability has therefore been seen by some as an issue for individuals who, in the absence of employer involvement, need to be the main agents for action. For some commentators this is seen as primarily taking place within the employment relationship:

> *'We understand the terms "career ownership" or "employability" to mean that the employee takes an active responsibility for his/her own learning and development. They participate positively in work-related learning, recognise the contribution of development and share responsibility with the organisation for career development.'* (Estienne, 1997)

While for others it is the individual managing their career within and between employers:

> *'In developing and managing successful "portfolio careers", individuals continually enhanced their employability by ensuring that their contributions add value to the organisation's activities and that their skills remain visible and transferable as well as viable, measurable and flexible.'* (Watkins and Drury, 1994)

Accompanying this emphasis on individual responsibility there is also a burgeoning self-help literature of guides for individuals

looking to chart a path through the modern labour market (*eg* Bloch and Bates, 1995; Hetster, 1996), the latter of which suggests that:

> *'The concept of employability — that it is up to individuals to continually refurbish the skills needed through a career and manage a career — is new to people in the UK.'*

2.1.2 Public policy origins

In the public policy arena there is a longer history behind the current interest in the concept.

Some of the earliest references in the literature refer to the employability of disadvantaged groups, *eg* a survey of attitudes of local industry toward the employability of the hearing aid wearer (Van-Deventer, 1951), and 'Improving the employability and attitudes of "difficult-to-place" persons' (Feintuch, 1955). These are interesting not only because of their focus on social exclusion, but also because they point to the variety of factors affecting people's ability to be employed, many of which are echoed in modern literature, *eg:*

> *'Ability and personality are still considered important items in determining employability, despite the wearing of a hearing aid.'*
> (Van-Deventer, 1951)

Another strand can be traced back through developments within education and the preparation of students for the world of work. In the late 1930s, psychologists were looking at the factors affecting the vocational outcomes of school leavers, and found that the relationships between employability, appearance and manner, and home environment were stronger than that between employability and intelligence-test scores, while the latter was stronger than the relationship between employability and scholastic ability (Heim, 1939).

More recently, Jenkins and Pepper (1988) talked about the vocational relevance of the then curriculum and the importance employers placed on 'non-academic skills' such as communications (written and oral), the ability to work with others, and the capacity for self-organisation. However, the impact of vocational education initiatives are questioned in a report for a group called Industry in Education entitled *Towards Employability* (Industry in Education, 1996), which argues that:

'The lack of employability qualities among school and college leavers may be costing Britain £8 billion or more each year.'

Another related point of origin concerns the adult workforce and the need for them to adapt to changing employer skill demands and the changing pattern and structure of work. In 1994, for instance, the Liberal Democrats published a policy paper entitled 'Working for Change: Promoting Jobs and Employability', which proposed:

'Investing in education and training to ensure that every individual is skilled and adaptable enough not to become permanently and involuntarily excluded from the workforce.'

The implications for lifelong learning policies were recognised by the Organisation for Economic Co-operation and Development (OECD, 1997) in that:

'Lifelong employability, the capacity to be productive and to hold a good job, is no longer something that can be guaranteed by initial education and training.'

The link with social exclusion made in the Liberal Democrat paper is being given greater emphasis by the current government. The Secretary of State for Education and Employment recently argued that:[1]

'Employability also means ensuring that there are pathways back to work for unemployed people as well as innovative ways of tackling social exclusion to ensure that we have opportunity for all.'

The UK's Employment Action Plan also places great emphasis on employability as the 'key to a cohesive society'. (HM Treasury, 1997a and b; Robinson, 1998)

The emphasis on employability as a route to minimising social exclusion is currently manifested in the New Deal programme targeted at unemployed young people and others.

'The bottom line objective of the New Deal, however, is to enhance the employability of young unemployed people.' (Prince's Trust, 1998)

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[1] David Blunkett, Secretary of State for Education and Employment in 'Employability at Heart of British Presidency Agenda', *DfEE news release* 059/98, 4 February 1998.

The current policy interest brings us full circle as, according to our literature search, the earliest references to 'employability' can be found in the attention given to social exclusion and education.

2.2 Emerging themes

Our review of the various strands of literature and our discussions with employers illustrated the similarities and differences between the corporate and public policy views of employability.

For instance, among employers, employability is often seen as about *maintaining* employment, or avoiding unemployment when having to move from one job to another, particularly in the context of an organisational restructuring. The organisations that we spoke to described it as follows:

> *'Employability means possessing the skills to compete in internal and external job markets, it is about having the right skills portfolio as well as possessing the right professional expertise.'*

> *'Employability is being prepared, knowing training needs, fostering relationships and contacts inside and outside, being aware of skills and accomplishments, balancing home and work and knowing what you can do.'*

> *'Employability is having a portfolio of different and flexible skills so don't have to find the same job elsewhere but have the adaptability to use the skills more widely; for example with NVQs the skills are applied in a range of situations.'*

However, public policy-makers seem more concerned with people moving into employment (from education or unemployment), *ie* gaining jobs. The elements that enable a successful transition from one job to another may be different from those needed to enter the labour market for the first time or re-enter after a period of unemployment. Furthermore, the focus of employability is also different — from the employer's perspective it is on people in employment and from the policy perspective it is on people out of employment. This is particularly relevant when considering what can be done to enhance employability and who should be responsible.

The two perspectives to an extent coalesce when focusing on employability as a means of regaining jobs. Employers are interested in minimising the problems any of their employees may face finding another job if their employment is unavoidably terminated. The State too is interested in minimising unemployment and particularly the length of unemployment. However, the point of action is different. Employers act while someone is employed, to ease a future transition, while the State only tends to become involved once someone leaves employment. Not surprisingly, the State is a player of last resort, picking up those who have no employer with which to share responsibility or who are unable for monetary or other reasons to take much responsibility for themselves. In this way the State's role is much more transient than the role individuals or employers may play. The emphasis of the State is primarily on *getting into* employment and with relatively little involvement on the type of employment or on future job moves. For employers there is some personal action and interest in employability as an inflow into the organisation, with some examples of employers' involvement in education and work experience. Nevertheless, the thrust of organisations' actions have been directed towards their existing workforce. The emphasis of these interventions have been on *getting on, ie* making transitions within the organisation, and *getting out,* moving to another employer. Individuals clearly have vested interest in all aspects of employability — *getting in, getting on and getting out.*

This brings us to a second theme, involving the degree to which individuals should (and do) take responsibility for their own employability and the extent to which employers and the State can help (or indeed) hinder them. A common current underlying all aspects of the literature is 'self management', *ie* being able to move jobs (or not) without reliance on the intervention of intermediaries and the extent to which this is both desirable and possible. There are links here to notions of lifelong learning and the importance of individuals being able to develop skills in line with changing employer requirements.

Thirdly, there is little consensus in either the public policy or the employer camp as to what enables people to be 'employable'. And yet this is vital if employability is to be anything other than a vague and slippery concept. To turn employability into anything that the various stakeholders can do something about requires a clear understanding of what it is that comprises

employability. In the literature a host of elements are alluded to, even when referring to skills these are described in a plethora of ways, *eg*: occupationally specific skills, technical skills, occupationally non-specific skills, soft skills, core skills, key skills, transferable skills, generic skills, social skills, basic skills, employability skills — just some of the terms used to describe the skills described as important to employment. These can be summarised as:

- transferable skills — *ie* technical or other skills which are in demand in a variety of workplace situations. However, a tension emerged in the employer interviews between transferability, between or within organisations, and the particular requirements of a department or organisation. For instance within IT, someone could develop generic skills in say database software such as Microsoft Access, but their employability with their current employer would depend on the extent to which they could develop the specialist skill of applying the basic knowledge to develop and maintain bespoke software (which may not have any relevance elsewhere).
- *soft skills* — generally used to describe the skills involved in interacting with others, *ie* interpersonal skills and generic non-technical skills such as communication, 'showing initiative', 'taking responsibility' *etc.*
- *job search skills* — the ability to find and secure employment
- *career management skills* — knowing what one wants in terms of employment and the pathways to achieving this. This is linked to notions such as 'adaptability' and 'flexibility' — generally referring to the extent to which people are able (and willing) to change their employment ambitions to suit current employer demand.

For example, one of the employers we interviewed argued that:

> *'Employability is also about job searching, interviewing, interpersonal skills but we are not doing much on these at the moment, we tend to focus on the technical skills on the assumption that they will gain in confidence.'*

Underpinning these notions is the role of qualifications and other supporting structures as a means of providing some form of externally recognised skills accreditation framework.

Finally there are a range of references to the quality of work. People may be able to obtain work below their level of skill or

in casual or unsustainable jobs. In either case, they may be dissatisfied and want to, or be forced to, make a transition in the near future and therefore their employment may not be sustained. Employability therefore involves an element of fulfilling or satisfactory work. This may be particularly pertinent at this moment in time as the growth in temporary or casual forms of employment following the last recession left many seeking more secure positions (*eg* Herriot *et al.*, 1998).

2.3 A definition

There are a number of definitions in the literature that touch on some of these themes, but few that are both comprehensive and comprehensible. The CBI (1998) recently defined employability as:

> *'The possession by an individual of the qualities and competencies required to meet the changing needs of employers and thereby help realise his or her aspirations and potential in work.'*

IES (Hillage and Pollard, 1998) also recently developed a not dissimilar definition, when examining employability from a public policy perspective:

> *'Employability is the capability to move self-sufficiently within the labour market to realise potential through sustainable employment. An individual's employability depends on the knowledge, skills and attitudes he or she possesses, the way he or she uses those assets and presents them to employers and the context (eg personal circumstances and labour market environment) within which he or she seeks to work.'*

or in short:

> *'Employability is the capability of getting and keeping satisfactory work.'*

2.4 Four components of employability

The IES definition suggests that we can separate out four main elements in respect of individuals' employability: the first three are analogous to the concepts of production, marketing and sales, and the fourth the marketplace in which they operate.

2.4.1 Assets

These comprise an individual's knowledge, skills and attitudes. We can usefully distinguish between:

- knowledge and skills, be they in terms of basic skills, *eg* numeracy, literacy *etc.;* or subject and occupation specific knowledge at different levels, *eg* from bookeeping skills through to senior accountancy roles, and
- personal attributes and attitudes ranging from basic levels of reliability, common sense, attitude to work and integrity; through to those such as problem solving, initiative, self management and commercial awareness.

There are a number of detailed categorisations in the literature which suggest a build-up or hierarchy of assets, for instance:

- 'baseline assets' such as basic skills and essential personal attributes (such as reliability and integrity)
- 'intermediate assets' such as occupational specific skills (at all levels), generic or key skills (such as communication and problem solving) and key personal attributes (such as motivation and initiative), and
- 'high level assets' involving skills which help contribute to organisational performance (such as team working, self management, commercial awareness *etc.*).[1]

However, these are not enough; people also need the capability to exploit their assets, to market them and sell them.

2.4.2 Marketing and deployment skills

These inter-related skills include:

- **career management skills** — commonly identified as self-awareness, *ie* diagnosing occupational interests and abilities; opportunity awareness (knowing what work opportunities exist and their entry requirements, *ie* labour market knowledge); and decision-making skills to develop and implement a strategy of getting from where you are to where you want to be.
- **job search skills** — *ie* finding suitable jobs and an ability to access both formal and informal networks.

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[1] Adapted from Anderson and Marshall (1996).

- **approach** — being adaptable to labour market developments, realistic about labour market opportunities, and willing to be occupationally and locationally mobile.

2.4.3 Presentation

Another key aspect is being able to get a particular job, once identified, and centres around the ability to demonstrate their assets to the market in an accessible way. This includes:

- the presentation of CVs *etc.*, (which may include Records of Achievement)
- the qualifications individuals possess (both academic and vocational), perhaps accredited through prior learning
- references and testimonies
- interview technique, and, of particular importance,
- work experience/track record.

2.4.4 The personal and labour market context

Finally, and crucially, the ability to realise or actualise 'employability' assets depends on external factors, the individual's personal circumstances and the inter-relationship between the two.

External factors

There is a range of other, external factors, which affect employability in general terms. These include the level of macro-economic demand and the pattern and level of job openings in their labour market, be it local or national, and labour market regulation and benefit rules. Clearly, in a recession fewer people are employable and yet may possess the same skills *etc.* that in better times would secure them a job. Recruitment standards are rarely absolute but move in response to supply and demand pressures.

Personal circumstances

Finally, a variety of personal circumstances, *eg* caring responsibilities, disability, or age can affect an individual's ability to seek different employment opportunities and therefore

their employability. Some of these factors will vary over time (*eg* an ex-offender will have more difficulty finding a job soon after their conviction, than if the misdemeanour occurred a long time ago) and some are more entrenched (*eg* ethnicity).

These two influencing factors can combine to create further difficulties for individuals in the ways employers act in terms of:

- the skills they are looking for — the better these are defined and articulated, the better able individuals are able to assess whether they meet the criteria
- their recruitment and selection behaviour — *eg* the degree to which such processes are objective and discrimination free
- their attitude to training and recruitment — *eg* whether they are primarily interested in developing job-specific skills or whether they are also interested in employee development in the longer term. This may linked to:
- their overall personnel strategy — for instance the balance between maintaining an internal labour market or relying more heavily on the external market.

In the next chapter we look at the motivations of employers to involve themselves with the employability of their employees, and the different approaches they take.

3. What Employers are Doing

In this chapter we look at what employers are actually doing in terms of enhancing the employability of their staff, against the background of relative cynicism in the literature:

> *'Research indicates that employability remains a placebo deployed by management to obscure the adoption of a hire and fire mentality.'* (Keep, 1997)

We begin by distinguishing between various employer strategies towards employability and then examine the policies and practices that underpin those strategies. Where possible we illustrate the points made with examples from our interviews and the literature.

3.1 Employer strategies

An examination of the literature and studying organisations through the case studies suggests that employers can be divided effectively into three main groups.

- There are those which do little of nothing to enhance employability either implicitly or explicitly. Survey evidence (*eg* Rajan, 1997) suggests that these are the majority.
- Secondly there are employers who in effect are working on their employees' employability but articulate their policies in another way. In this second group the term 'employability' is not part of the organisational language, but is subsumed under alternative headings such as 'flexibility', 'transferability' or 'lifelong learning'.
- The final group comprises those employers who are explicitly concerned about employability and those who use the term, *ie* talk about it and have a clear view as to what it means.

Within the last group there was a further distinction between the focus and the degree of employers' activity between those who were:

- exhorting — those employers whose primary focus was on exhorting employees to take greater responsibility for their future employment and careers, but concentrated on the words rather than deeds
- facilitating — those who backed up the rhetoric with a range of albeit *ad hoc* arrangements to facilitate employees taking on that responsibility, and
- driving — (the relatively few) that drove forward the concept in both thought and deed.

Talking to employers about what they actually did (*ie* those in our third and, to an extent, second group), we detected four broad employability strategies. Our initial hypothesis was that employers were likely to be involved in the main because they had to shift staff out of the organisation and 'employability' was seen as a way of softening this reality. While this was the rationale in some cases, we were able to detect a number of other reasons why employers were interested in the notion of employability, and in each case it meant something different — with different policies and practices attached. We were able to identify four main underlying rationales, with a fifth that appeared in specific circumstances. Below, we briefly consider each of the approaches under the following headings:

- The psychological contract
- Softening the blow
- Inplacement: the flexible friendship
- Keeping with kindness
- The community employer
- The psychological contract

The development of a new 'psychological contract' between employer and employee is a strong theme in the literature and was apparent in some of the case studies. This approach evolves from an explicit recognition that there are no longer jobs for life, and the view that therefore individuals need to prepare themselves for career transitions throughout their working lives. In recognition of their side of this 'contract' employers offer to provide development and experiences that

enhance individuals' ability to find other work should their current employer no longer have need of them. In this way employability becomes the new job security, enabling individuals to move successfully in the wider labour market. In some organisations the 'employability commitment' is explicit and mechanisms exist to facilitate employee development, but in others opportunities for development are available, but employees have to identify and access them themselves. This approach has been described as an 'opportunity arrangement' (Quinn Mills, 1996).

There is a world elsewhere

The partnership agreement between Scottish Power and unions representing manual and white-collar workers has a section entitled 'employment security'. It explicitly states that 'investment in training and development must be driven by the needs of an individual, aiming to maintain his/her employability and not depend solely on the needs of the business'. In this way the company undertakes to help prepare employees for successful participation in the wider labour market as an explicit element of the employment bargain.

Source: IRS Employment Review (1997)

3.1.1 Softening the blow

The second approach involves those employers looking to shed labour with the minimum of pain. This is the motivation that is closest to our original expectation of employers' reasons to become involved. It recognises that organisational restructuring involves sometimes quite extreme job losses. The recession of the late 1980s and early 1990s showed that such large-scale losses could be severely detrimental to survivors' commitment and morale. To make the occurrence of reductions in employment as painless as possible, some employers have tried many ways of helping displaced employees leave positively, *ie* with new jobs to go to or the assistance needed to set up on their own. The underlying rationale for this approach is to maintain the commitment of the surviving staff — but the immediate effect for those leaving is to increase their chances of finding another job.

Forging new links

This large UK based, ex-public sector organisation like many others now operates in a much more commercial environment. What makes this organisation's position unusual is that it has a 'no compulsory redundancy' agreement with its workforce and commits to take care of displaced staff and retrain them. Within the company the organisation has an initiative 'Career Link' which aims to provide support for displaced employees. Anyone who has been identified as surplus can come into Career Link.

One of the drivers for the development of the Career Link programme was the need to reduce the cost base. Like many well-established organisations, long average lengths of service coupled with low turnover had meant that many people were being paid well above market rates. A business efficiency programme aimed to cut one billion pounds off the cost base. In a climate where compulsory redundancies were not an option, it was felt that some people might want to leave the company and try something else. If this was to be realised then support needed to be given to such people. The programme, which was originally designed to run for 18 months to support the business efficiency programme, provides support to people making such career transitions, through personal counselling and financial advice, or outplacement support such as retraining and redeployment. EVR and voluntary severance were controlled to enable the organisation to keep key skills.

The programme also helps those staff whose jobs have disappeared, either through outsourcing of their work area or the loss of their particular role. There are acknowledged problems with low skilled staff. Many of the kinds of jobs that were available for such staff have now disappeared, having been either outsourced or mechanised. This leaves a number of staff without a job and very difficult to redeploy.

There has proved to be high demand for the service and the wider opportunities it can help make available. Since Career Link's inception, more than 2,000 people have used the services in one way or another and some 300 have been redeployed.

As well as direct interventions with regard to individuals' skills portfolios the organisation is also altering the context within which such potential re-deployees are seeking new posts. The organisation is creating temporary opportunities to try jobs; this can be a great help for those about to experience a major transition. There are also procedures to balance the internal labour

market in favour of the redeployee. All jobs have to be advertised to redeployees before they can go internally. Successful redeployments are publicised through the company magazine.

Like many such schemes there are often real problems persuading some line managers to operate the scheme in the spirit in which it was intended. One of the problems that the organisation has experienced is line managers using the programme to shift problem employees outside their own unit. There are also issues around the acceptance of redeployees, hence the publicity of success, and also barriers in the system. Individuals who are redeployed to less well paid jobs are on mark time pay but there is no central budget for the additional costs, and receiving managers are understandably unwilling to consider someone who would involve additions to their budget. There is also evidence that the expectations of managers have risen. Partly this is the impact of the increasing drives on efficiency and the need for employees who can enter a job and make a contribution in the minimum possible time. Throughout the organisation, development and training courses have decreased in duration, with the consequent need for highly able learners.

This internal situation has been mirrored in the external labour market. One of the main local labour markets in which this organisation operates is unique in, theoretically at least, having full employment, *ie* the number of vacancies exceed the number of people seeking work, and yet there are significant numbers of long-term unemployed. With the local TEC and a number of local employers they are looking at the entry point at which organisations seek to employ people. They believe that this has risen; employers now seek high standards of literacy and numeracy.

This employer anticipates that in the future it will create more explicit career paths and greater involvement of the line manager in a partnership of skill building. A more radical possibility is to make redeployees the responsibility of the losing manager; they would remain on the losing manager's headcount until they were redeployed.

Source: IES Case Study

3.1.2 Inplacement: the flexible friendship

The inplacement or redeployment perspective is the opposite of external displacement and could be seen as a response to changing economic pressures. The primary need is the same, to

move staff whose existing skill sets are less in demand. But whereas the trend was to external displacement of affected individuals, there are organisations that are looking to maximise the use of internal placement opportunities. It appeared from our interviews that as the labour market tightened so more organisations were examining the financial implications of losing staff and simultaneously trying to recruit new comers.

One of our case studies is a media organisation that has seen just this transition from outplacement to internal redeployment. A few years ago budget problems and changing technologies meant that redundancy and early retirement were offered to many technical staff. This led to a loss of older people within the organisation and much valuable expertise with them. In more recent times this policy has been reversed as different pressures come into play. A growth in recruitment pressures plus a realisation of the need to retain expertise, and a continuing strict budget situation, has meant that the loss of people with enhanced payments no longer makes business sense. Excess staff are now more likely to be redeployed elsewhere with follow up development and training to update skills or transfer into new skill areas. To support this, a career centre helps staff consider their skills and the jobs available and provides help to enable individuals to move on.

Rover's New Deal

As part of the 'new deal' agreed at the Rover Group in 1992, the company set up a 'skills network' to facilitate internal moves within the company for those whose previous roles have become 'displaced'. A resourcing centre for the network was established at each of the group's four plants. On reporting to the centre, people take a one-week job-hunting course that deals with CV preparation, skill identification, interview technique and career development. While they are looking for new permanent roles they are encouraged to take 'value-adding assignments' which do not normally last for more than three months. Some 90 per cent of 'clients' find alternative places within the company or with suppliers or other external organisations.

Source: IRS Employment Review (1997)

3.1.3 Keeping with kindness

This is a counter-intuitive strategy whereby employers maximise retention by enhancing employability. Staff are offered training and development which is aimed at maintaining or enhancing their skills beyond that strictly necessary to fulfil the demands of the current job. In return, staff turnover is often lower than it might otherwise have been as employees are pleased to maintain the currency of their skills and appreciate their employers' interest.

This strategy is particularly applicable to those work groups that are notably employable and where their retention depends of employers defining a competitive advantage in this specific labour market. Frequently such individuals can command excellent development opportunities that improve their employability and which has been noted before in the context of lifelong learning (Tamkin and Hillage, 1997).

Able to go, but wanting to stay

This organisation operates in the highly volatile financial services sector. Part of one of the major UK banks, it functions as an autonomous business unit dealing predominately with asset funding of private sector businesses and debt collection. The organisation employs over 2,000 people and is highly profitable, making some ten per cent growth year on year. A few years ago, when it became part of the larger bank, it was placed under pressure to increase its annual return. This meant looking more creatively at other strategies rather than simple cost cutting.

Despite the organisation's track record of success, employees were not particularly committed or motivated. Attitude surveys showed that main complaints were to do with low pay and low investment in staff. The organisation considered that three factors lead to competitive advantage:

- the first is money, with which they had no problem
- the second was IT and systems, which with accelerating change could only provide a temporary advantage, and
- the third was people, and therefore people were a key part of the organisation's competitive strategy.

Concerns over linkages between employee attitudes and new business growth underpinned a radical programme of change. Some of these changes have included single status for all

employees, introduced on the 1 January 1997. This gave all employees the same holiday entitlement, access to private medical care, the eradication of grades and the adoption instead of pay practice levels. A key element of the organisation's approach was to try and develop a new relationship with the workforce based on honesty. As part of the new pay scheme and this new climate of openness, the organisation informed staff that it had been paying below market median and spent a lot of money putting pay right. The organisation also de-recognised the union, which represented only 20 per cent of the workforce and in its place created a network of consultative committees to try and build new partnerships with the staff. Spending on training and development was doubled as the organisation sought to build a learning and development culture.

When introducing these initiatives the organisation deliberately avoided using the term 'employability', concerned that it would be thought of as 'HR jargon' and staff likely to react cynically to it. They believe however that it underpins everything that they have done. Their rationale is to create a workforce with the ability to leave but who want to stay.

They have been completely overt that they cannot promise jobs for life and acknowledged that the actions of the organisation have convinced employees that they have no loyalty to their staff. But they do promise to give more skills than are just needed at the organisation so that choice over employment shifts from the organisation to the individual. They have also stated: *'the only reason we want not to employ you is because we can't afford you'.*

A booklet to all staff explicitly stating the psychological contract with staff launched the change. Appraisal ratings were ceased and replaced with skill sets and objectives, the first of which is for individuals to achieve their development plan. The skill sets themselves relate to an underlying set of values. Individuals choose their own level in completing a self-assessment form. Even if competent, it is expected that everyone should still have development needs.

A learning centre helps deliver development needs and has been the focus of much effort to encourage people to use it. It contains more unusual development packages and general interest provision such as French to attract people. What is available is regularly refreshed, everyone has been shown around the centre and competitions are regularly held to enhance usage. As a result one-third of staff in the last three months have used the

centre. The organisation also has a development scheme whereby the company will financially assist with any learning activity. Learning is reinforced in all that the company does; there are briefings to staff every three to four months with topics driven by the consultative committee's request.

The staff survey has shown that there has been a radical change in attitude. A customer survey has shown a direct correlation where change has taken hold. Turnover is falling and a major business shift was dealt with while maintaining profit growth and extensively re-deploying staff.

What has been particularly interesting about this organisation's approach has been the commitment to honesty with staff. At the very beginning of this new approach the organisation told staff that they expected them to be cynical and that they were working hard as a management team to change what they do.

Source: IES Case Study

3.1.4 The community employer

Finally, some employers not only have regard to employability of their own workforce in the future, but also consider the wider impact of skill and employment change on the local community as a whole.

A consortium of public sector employers working with a local further education college typified the final approach. The aim was to enhance the potential employment prospects of their own employees, in circumstances where funding difficulties and changing skill requirements could no longer mean that their employment was secure, recognising the impact on the community (and therefore themselves as agents of the State) of high levels of unemployment.

Raising employability in the local labour market

This case study involves a partnership between a local community college which has been thinking in terms of employability for some time, and local public sector employers who are attempting to respond to two local economic situations:

- to take advantage of anticipated opportunities arising from improved transport and sources of private and public sector funding

- to provide a strategic response to the expected continual decline in public sector funding which acts disproportionately on the unskilled and semi-skilled workforce.

Operating in a relatively deprived inner city area the college and its partners have seen first hand the difficulty many students and displaced employees have in securing reasonable employment. Partners include the local council, the local health trusts and hospitals, and the local police force.

This initiative was the college's response to the aims of a newly formed public sector management forum set up by the Chief Executive of the local council to improve local planning, to use resources more carefully and to explore mutually beneficial personnel development strategies. Public sector employers constitute the main employment group in the area. The college aimed to improve the employability of those employed in the sector by offering to provide training free of charge, with the local TEC covering examination fees. Their vision was to equip people with sufficient skills and abilities to:

- be free from dependence on any individual employer
- become better qualified to take advantage of employment opportunities
- meet the future skill demands of their organisation
- qualify or retrain for new employment wherever it is offered
- learn what they are interested in as well as what their employer wants them to learn
- become more mobile and able to compete for employment
- be confident to face an uncertain future.

The employer partners benefit by freeing up their training budgets for customised provision and, in return, offer the college first option in delivering this. In fact the project has seen the creation of a unique healthy bartering arrangement between all the players and the college. For example the police have provided motor vehicles for the college's vehicle maintenance course, and one of the students from the trust – a male nurse, provides a well man clinic for college staff.

Our discussions with the local council showed that their involvement was motivated by a desire to support their own staff and local community in difficult times – these two populations being uniquely overlapping. They declared explicitly to their employees that they could no longer guarantee them jobs for life but would provide the means whereby they would have more

skills when the time came to leave, than they had when they started. Job related training is provided in work time but ever-decreasing budgets have meant that employability-enhancing development has to be undertaken in the employees' own time but with the council's support.

The scheme has been judged to be a great success, there has been a high enrolment rate especially amongst the low skilled, women and ethnic minorities and older workers (*ie* all those groups that are traditionally under-represented in training and development opportunities) and retention rates have been high at 91 per cent. The scheme shows a unique contribution to a local set of circumstances and the challenges of working across and with a number of employers.

Source: IES Case Study

3.2 Policies and practices

The model of employability set out in Chapter 2 distinguished between an individual's assets in terms of knowledge skills and attitudes, the way they position and sell those assets, and the personal and external circumstances which impinge on an individual's employability. We now turn to look at what actions and practices employers take which seek directly or indirectly to affect these various aspects of the model separately or together.

3.2.1 Asset building

Skill development

An obvious way that employers can enhance employability is by working on employees' assets, *ie* the skills and knowledge they possess. This is especially true of those predominately seeking to enhance the employability of low skilled staff. However, this is also relevant for higher skilled staff as well. Continuous professional development (*eg* for lawyers, accountants *etc.*) involves regular reviewing and updating of knowledge.

Our research suggests that:

- when such policies are explicitly conducted with employability in mind, employers tend to concentrate on technical rather than the softer inter-personal skills, which, as we found in Chapter 2, are particularly important for employability

- skill enhancement tends to be incremental, rather than remedial; *eg* employers expressed a reluctance to take responsibility for improving employees' basic skills, such as numeracy or English language, considering this the province of the State.

This clearly means that those whose basic skills are not good and who lack excellent interpersonal and customer care skills, or who are not displaying the necessary levels of motivation or aptitude, will be doubly disadvantaged. Employers, while willing to add to an existing base, find building the base too long term and beyond the scope of their internal experience and expertise. The changing world of work, and legacy of boom years in tight labour markets, meant that some organisations have found themselves in the position of having staff whose employability is highly vulnerable.

A separate approach is to look beyond training and development as a route to skills and knowledge acquisition, to concentrate instead on the potential for learning to create meta-skills of flexibility and adaptability. The route taken by employers following this approach to employability concentrates on getting employees back to learning, in the hope that the learning process itself will raise confidence and the willingness to consider new career opportunities. This attempt to return to learning we have called the employee development model. This is in some contrast to the use of employee development within organisations, which is frequently motivated by the desire for various soft benefits such as an improved industrial relations climate, better organisational commitment, and improved employee morale.

Undoubtedly for some employers, despite their avowed interest in employability, their approach is serendipitous at best. They employ a variety of approaches that are uncoordinated and lack any strategic focus or clear sense of what they wish to achieve.

Use of secondment

In some cases employers used secondments, attachments and project work as a means of providing employees with opportunities for alternative skill development. Depending on the nature of the assignment, such arrangements can give individuals the chance to learn new technical skills, learn how to apply existing skills in a new environment and also develop soft skills. Secondments and project working were visible in the

Civil Service. Research by the Leading Edge Forum implies that secondments play an important role in developing managers, around 25 per cent of managers reporting project secondments or job moves as providing developmental opportunities. They tend to be difficult to manage however, and other research by the institute (*eg* Hirshand Jackson, 1996b) has shown that their potential can be unmet because of poor management of the individual's return to the original job.

Recognised qualifications

For some employers, employability is also about providing transferable skills and the portable qualification that proves their possession. The most common examples of this approach involve the provision of NVQs.

Learning to go

When **BICC Cables** decided to close its Wakefield plant, in addition to standard outplacement activities such as a 'job shop' the company supported the introduction of a full NVQ programme as a way of enhancing employees' employability. Although there was little time for employees to complete qualifications before the plant closed, employees were allowed to work towards qualifications and the local college provided support. Around 70 per cent of the plant's 120-strong workforce signed up the NVQ programme, six of which became internal assessors. A one-year NVQ programme was condensed into six months and by the time the plant closed, over 50 people had obtained a qualification. The NVQ programme contributed to the maintenance of morale during the closure period and was felt to have significantly helped people secure alternative employment.

Source: People Management (1997)

Tate and Lyle Sugars have evolved a 'security of employment' agreement with staff to help alleviate the company's need to close a sugar refinery in Greenock. Amongst the scheme's provisions were a commitment to complete the company's NVQ training programme, thereby providing every operator with a nationally recognised qualification to take into the training market, coupled with a programme that enabled employees to choose the kind of training they wanted: anything from acquiring HGV licences to skills in operating software packages.

Source: IRS Employment Review (1997)

Other organisations encourage their professional and senior staff to study for qualifications, partly to improve their marketability in the future (both within the internal and external labour markets). For example, many employers include MBA or management diploma type studies as part of their management development programmes.

Lewisham Borough Council Housing Department, for instance, has run a management certificate course for a number of years as part of their management development programme.

> *'I wanted management development that went beyond the bog-standard internal programme, which teaches you the how of management without the why. We also wanted employability for people and something they could build on.'* (Pickard, 1997)

3.2.2 Marketing

Some of the employers that we spoke to were engaged with employability beyond asset building. They also provided assistance to employees on marketing issues, such as career development workshops giving employees reflective opportunities to consider their career aspirations and how they might achieve them. A tension for such employers is the relationship between the individual's and the organisation's wants and offers. In many cases the organisation is seeking to enhance internal mobility, whereas individuals may be hoping for a change of employer. Common amongst such approaches are psychometrics to enable individuals to understand their strengths and employment preferences better.

The NHS Career Development Register was an initiative that offered coaching for women:

> *'The Register's coaching is based on a "jigsaw puzzle" approach, in which individuals first work out the nature of their "pieces"— personal strengths and weaknesses, life histories and key influences upon them, long term goals* etc. *They then shape these into accurate pictures of where they are now, where they could be going and what they need to do in order to get there.* (Holbeche, 1995).

Career resource centres

Career resource centres offer a wide range of career development activities and information. Such centres traditionally offer psychometric tests to assess individuals' aptitudes and weaknesses and to help individuals understand better their career preferences and drivers. Centres may also provide help with skill development through computer based learning packages, and may also provide counselling and advice on career opportunities, job search skills, and interviewing techniques.

Cable and Wireless run a Career Action Centre, the role of which is to develop future skills, retain key skills, motivate staff and help them understand what their skills are and what the organisation needs.

Source: Wills (1997)

Development management processes

An increasing number of organisations are bringing in processes, such as personal development plans (PDPs), to encourage their managers and staff to consider medium-term personal development. In some cases these tools are specifically extended to help develop employability.

Using Personal Development Plans

A large pharmaceutical company has used PDPs for a number of years not only as a personal development tool but also to place people internally into new job, project or secondment opportunities. This started as an attempt to drive home the message that the company took individual responsibility for development seriously, and wanted to see evidence of active development plans before considering individuals for promotion or other job opportunities. There was also a desire to provide placements for individuals that matched their personal aspirations. An unexpected effect of this policy was to create PDPs that were quite different in character from those from other organisations, being much more public in nature and more 'CV like' in appearance. Other PDPs contained more discussion on areas of weakness to be tackled, rather than desired job moves and work-based development opportunities.

Source: Tamkin et al. (1994)

3.2.3 Presentation

In the minority of cases, and where an organisaion is monitored by either the need to outsource people or to redeploy them internally, there was a broader approach that looked beyond skills and knowledge to the ways individuals present these, with help on CV formulation and interview skills. This is indicative of the pedigree of some of these approaches with their ancestry in the outplacement business, which has traditionally concentrated on CV and interview skills along with help with job searching. For some organisations that had moved from external redeployment to internal redeployment as the economic conditions changed, some of the approaches have been translocated into the internal labour market.

3.2.4 Market making

The final aspect of employability relates to the context within which individuals are attempting to seek employment. This context can clearly change over time, rendering the once employable less so and providing employment opportunities to individuals who possess new skills. Individuals will also have personal characteristics and circumstances that will make them more or less employable than their peers. This final aspect of employability is the one where employers show least action, but there are some attempts to impact on the internal labour market, *eg* recent research looked at the enabling architecture employers put in place to build employability. One of the elements of this was the use of mobility to help create the 'new career'. In reality, cost pressures and downsizing had profoundly influenced the internal opportunity system. Many participants were highly cynical about the opportunities for lateral moves within their organisations. In our research, three organisations were offering help with job moves via vacancy filling schemes that ringfenced opportunities for displaced individuals. Such schemes limit the competition within the internal market.

Some of the traditional restrictions within the external labour market are also recognised by employers as changing (Clarke, 1997). A survey of employers showed that they recognise, for instance, that an ageing workforce requires the acceptance of the recruitment of older age groups. The increasing participation of women is also seen as a major trend, as is the increasing flexibility of working patterns, all of which have impact for

employers in terms of the acceptability of candidates from such groups. The survey also showed a generally positive attitude towards the employment of individuals from 'socially excluded' groups such as people with disabilities and women returners, both of which were viewed more sympathetically than disaffected young people.

3.2.5 Constraining employability

Actions, or lack of them, by employers can also serve to limit individuals' employability. For example, the openness and transparency of their recruitment and selection process can have an effect on an individual's employability through the extent to which certain groups may be at a disadvantage or advantage. Employees in many different organisations have told us that lateral career moves are very difficult to enact, with managers preferring to appoint individuals who are already working within this area of work. Individuals may possess many very relevant skills but simply lack the direct and often quite limited experience that is requested. There is also much literature on the ways in which recruiters tend to recruit in their own image (Strebler *et al.*, 1997a), which perpetuates such lack of diversity.

One way in which organisations seek to minimise discrimination within their workplace is through the extensive use of competency frameworks. However, they can have the opposite effect. Work conducted by IES has shown that competence frameworks are not gender free in terms of the interpretations placed on them. Certain competencies are much more likely to be associated with either males or females (Strebler *et al.*, 1997b). The widespread development of tailored and unique competence frameworks in organisations and the linkage of development to these frameworks may make the development of assets role specific and render it more difficult for individuals to present themselves appropriately. This creates a tension between maximising internal employability at the possible expense of limiting external employability.

3.3 Employability for whom?

It is striking that the employers we interviewed which adopted an explicit stance towards promoting employability were in the main interested (in terms of their rhetoric) in the workforce as a

whole, and yet directed their interventions predominately at a particular group.

This is an emergent strategy, *ie* employability is conceptually not limited to particular groups of staff and yet tends to drift towards certain groups, depending on where the focus and problem is seen to be. Our case study employers were not explicitly saying that their approach was to enhance employability for a certain group and excludes others; in fact for some it was a matter of principle that employability should be for everyone. But for most of the employers we spoke to the emphasis of their approach was on specific groups of staff.

For some it was low grade, low skilled staff for whom the future employment situation was felt to be potentially bleak. For example, they were thought to be facing changes to ways of working often involving new forms of technology that would make their old jobs and roles redundant. Unless they could learn new skills their long-term employability was at risk.

At the other extreme are those employers who are primarily using employability as a means of retaining valuable staff and whose actual employability is not in doubt. This is not to say that other, less qualified members of staff are inevitably neglected. Frequently for such employers most of their staff are valuable, as they tend to operate in different employment markets and are somewhat removed from the changes in the structure of work facing the employers of manual workforces. Employers who are seeking to retain key staff generally open their offer of development to all staff. Nevertheless, it is the professional employee who receives most (and the most expensive) development. This retention approach was more common in organisations in the financial sector or working with new technology.

Thus on the basis of our case studies it would seem that employers are interested in the workforce as a whole, when thinking of employability and its benefits in very general terms, such as promoting flexibility of attitude or in enhancing flexibility of skills and their deployment. This approach may be publicised through general statements to the workforce, perhaps backed up by the provision of a range of facilitating services, *eg* learning centres. When concentrating on quite specific interventions they tend to be reserved for two groups of staff:

- actual or potentially surplus employees
- key and difficult to replace employees.

3.4 Where is the responsibility?

To what extent do employers take the initiative, and to what extent do they provide the environment in which employees can pursue the development of their own employability to the extent that they wish? In all the organisations that we visited employers were attempting to create an environment within which employees could maximise their employability if they so wished. This is very clearly so where employers are providing courses that may provide transferable skills, perhaps less so where a workgroup has been identified as no longer having a place in the organisation and therefore are under threat (direct or otherwise) of redundancy. Here the voluntary nature of their participation in opportunities to enhance their employability may be more open to debate. Even so, employees could clearly refuse to take advantage of the opportunities that were on offer, even if in practice very few would do so.

Organisations offering career centres or job clubs, where individuals threatened by redundancy or who felt in need of a career move could come for help and guidance, had created them to be voluntary in nature. The employer created the opportunity, the employee was free to take advantage of it or not as they wished.

In one organisation that was seeking to maximise the career opportunities of manual workers identified as particularly vulnerable in terms of their employment security, various opportunities were offered to re-skill and develop, but these opportunities were only available in the employees' own time. This is a very clear example of the balance of responsibility between the employer and the organisation. The employer provides the opportunity for the skill acquisition and the employee provides the time and commitment. We have seen from previous research that many individuals are happy to provide a contribution towards their own development, but it is often those that are most vulnerable that find it most difficult to do so (Tamkin and Hillage, 1997). Manual workers are frequently working extended hours and find it more difficult to allocate time for additional study. It is well known that women with

caring responsibilities are less likely to participate in learning opportunities (*eg* Tremlett and Park, 1995).

There has been much literature that notes the growing emphasis on the individual's responsibility for their employability.

> *'The employable person will have a strong desire for self-development and will be curious and analytic in their approach.'* (Wills, 1997)

There is a growing emphasis on employees taking control of employability; the article gives the example of Rank Xerox — who endeavoured to change the focus of responsibility. This switch was achieved through its 3D programme: define, decide, develop which concentrated on switching its career development responsibility from managers to staff.

This switch is not without its problems. Brown (1996) points out that the evidence is that employees are more ready to accept that career certainty has gone. However, it is still grudging and the corollary that the individual must be much more active in managing their own career is often misunderstood by companies which behave as though, in shifting responsibility for career management to the individual, they are washing their hands of the problem. Others have noted that this shift of responsibility to individuals may affect the degree of effort that individuals are willing to exert. They may decide to play safe and fulfil instructions to the letter or get out, *ie* leave the organisation or get even by sabotage (Herriott and Pemberton, 1995).

3.4.1 Partnership

The CBI (CBI, 1998) has stressed that employability needs to be seen as the responsibility of a partnership of individuals, the state, education and training providers, employers and supporting bodies. In terms of the individual and the employer they suggest that each should contribute. An individual's responsibility is to:

- engage in lifelong learning
- plan and manage their own careers
- take work wherever possible
- encourage and support others in their learning
- provide a supportive environment as parents for their children.

The employer should:

- succeed and thereby create employment opportunities
- train and develop all staff to meet the needs of the business
- encourage staff to take on new roles and experiences
- develop employee involvement strategies
- encourage lifelong learning
- help redundant employees
- recruit apprentices, trainees and New Deal clients.

The CBI and others also stress the role of the State both in terms of providing foundation education (at primary, secondary and tertiary level) which promotes the development of employer-relevant skills and knowledge, and encouraging lifelong learning (*eg* through policy initiatives such as individual learning accounts, and the University for Industry).

4. Understanding Employers' Actions

In the previous chapter we noted that employers interested in employability may adopt a number of different but related approaches. We characterised these approaches as:

- the psychological contract
- softening the blow
- inplacement: the flexible friendship
- keeping with kindness
- the community employer.

What determines an organisation's response? In our discussions with employers we explored with them their rationale for adoption of a particular strategy or set of policies and practices. Employers spoke about the context surrounding their interest in employability and the drivers experienced by their organisations. Set within such context, the response to employability can be seen to flow from the organisation's situation; it became clear that the approaches can be seen as a response to particular pressures facing employers at a point in time.

4.1 What drives different employer approaches?

We look at the employer approaches in turn to discuss the common drivers each experience.

4.1.1 The 'psychological contract'

As we have seen, the 'psychological contract' is a reaction to past conditions of uncertainty and the shock of recession, which led employers to inform their employees that the previous

assumed comfort of employment security and career certainties could no longer be guaranteed. There therefore needed to be a different understanding or 'psychological contract' that underpins the employment relationship. In some cases this new contract has been articulated. On the one hand it is made explicit that jobs may come and go in response to the performance of the organisation and the economic conditions, but in return the employer offers to provide development and experience that will give the individual a skill portfolio that will place them well in the external labour market.

Our research and experience within organisations shows that the rhetoric of the psychological contract is widespread amongst both employers and employees, but evidence of practice to complement the rhetoric is much more difficult to find. Organisations have been much quicker to speak to the psychological contract than they have to put appropriate policies in place to turn the rhetoric into reality. Those organisations that we spoke to, which were motivated by the desire to create such a partnership with their employees, often had quite disparate and unrelated policies in place to enhance their employability. These were often providing partial solutions to some employees but were rarely integrated into a coherent whole. Those employers motivated by the psychological contract tended to fix their horizons towards the future rather than the present. Their approach to employability had emerged from previous difficult and destructive times and, as such, was a response to past problems. It was intended to offer an insurance policy against future insecurity rather than a lifeboat to save staff from difficulties faced in the present.

4.1.2 'Softening the blow' and 'inplacement the flexible friendship'

These two approaches have significant similarities and actually could be seen as part of the same continuum. Both have their ancestry firmly in the outplacement model, *ie* moving employees out of one part of the business. They share the common reality of having to deal with displaced employees and hence both approaches are grounded in a practical and immediate (or imminent) problem.

A typical scenario is when, driven by economic need or technical advancement, an organisation can no longer offer to

some employees the same positions as it could in the past. The consequence is that individuals are displaced from their existing job. Organisations can respond in one of two ways:

- in some circumstances this may mean that individuals will need to leave the organisation
- in others it may be that the individual can be moved to another position within the same organisation.

The response adopted by an organisation will vary as a result of the interplay of a number of factors:

- the external economy that influences the tightness/looseness of the external labour market
- the organisation's competitive position, *ie* whether it is growing, expanding or contracting
- the currency of the skills that the displaced person possesses.

As the external labour market tightens there will be a tendency to redeploy internally rather than seek difficult-to-find external recruits. Similarly, as an organisation find itself in a stable or growth situation, its ongoing needs for recruitment will influence the balance towards redeployment. As individuals with relevant skills are displaced, so their retention will potentially add value to the organisation.

The opposite strategy could be adopted in the same external labour market conditions, if the skills the displaced people possess are not longer in great demand. In fact a buoyant labour market, coupled with low currency of displaced skills, can increase the tendency to make people redundant. Organisations in recession will also primarily look to external deployment in an effort to shed staff and associated costs. Interestingly, we have seen since the early 1990s that even organisations which are highly profitable will still seek to outplace staff if their skills are no longer needed and presumably cannot be used elsewhere (or indeed can be done more cheaply by others) (Herriot *et al.*, 1998).

Thus the economic drivers will push organisations in various directions depending on the interplay of the various factors that we have seen are important. In our case study organisations we saw a transition from outplacement to inplacement as the economic situation of organisations shifted while emerging from recession.

4.1.3 'Keeping with kindness'

This approach, like the inplacement/outplacement pendulum, also has part of its origins in the value of certain employees and the competitive strategy of the organisation. It generally is adopted when the organisation operates in a highly competitive, high value-added environment and where employees are a major source of competitive advantage. When such individuals possess skills and abilities that are highly valued and in short supply in the labour market, and where the commitment, motivation and creativity of such individuals is paramount to the organisation's success, the organisation's resourcing strategy is likely to emphasise retention. One of the ways in which employers can enhance retention is to offer an excellent employment package. For such professional staff one of the offers that is likely to be highly valued is the ability to maximise their skills and knowledge in their particular specialism, *ie* their personal employability. Hence for these organisations, maximising individual employability is a means to maximising employee retention within the organisation. Why should employees look elsewhere when the package here is better than that offered by others? This response that has been noted in other research, *eg* Tamkin and Hillage, 1997.

In this study we have seen examples of this approach in the financial services sector and IT specialist organisations. Keeping with kindness is a long-term strategic response to retention issues, not an acute reaction to current difficulties. It can form an aspect of 'employer branding' whereby employers seek to build and maintain a certain image in the labour market to enhance their ability to recruit and retain key staff.

4.1.4 The 'community employer'

The final approach has its evolution in an ethical desire on the part of an employer to safeguard not just its own workforce but also the local community from which it is drawn. We saw examples in local government, which occupies a unique position as being not only an important local employer, but also having responsibility to the local electorate to maximise the economic and social well being of the community. With responsibility for both these roles, it is not surprising that concern for the employability of the workforce (and simultaneously, the economic well being of the community) is very important. This

concern has also been found in single employers of some standing which are the main or sole community employer, and which are frequently sensitive to the impact of their employment policies on their local community.

Obviously the ability of an employer to take account of these kinds of issues will depend on other factors, such as the economy and other drivers that we referred to earlier. However, many organisations will feel some sense of concern and obligation to the communities that they serve and rely on for their staff.

This overall approach is not independent of the other drivers, *ie* an employer might have a strong desire to consider the needs of the community but will also respond according to the other drivers.

4.2 Key influencing factors

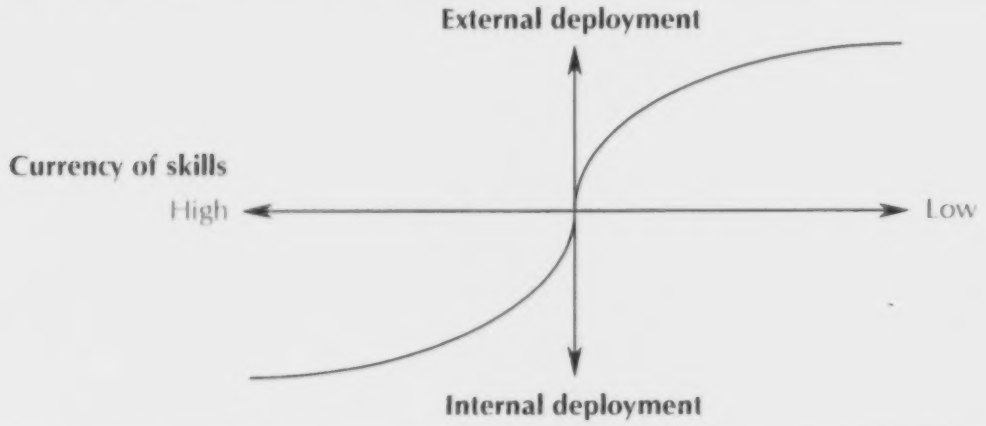
Emerging from this research are some key distinguishing features that help determine the conditions under which the various approaches to employability will be adopted. When employers act to enhance the employability of their employees they do so in response to the drivers acting on them at that point in time. These drivers can be thought of as a number of dichotomous variables:

- qualities of the displaced staff
- the tightness of the external labour market
- the economic drivers operating at the point of the displacement
- the organisation's concerns that are motivating its actions
- the horizon of action.

4.2.1 Qualities of staff

Employability is a concept bound with the skills of the individual who is seeking new employment. When an organisation has to displace staff because of changing skill needs, new technology, a decline in economic performance or any of the other changes that can lead an organisation to have to move people from the job that they were doing, its ability to move that person elsewhere will depend on a range of individual factors. These

Figure 4:1: The impact of the currency skills



Source: IES, 1999

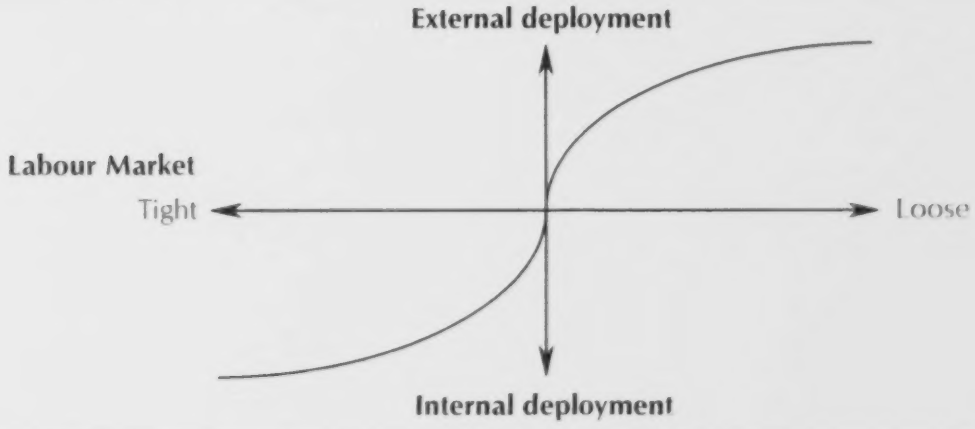
include the skills of the individual, their personal attributes, their attitudes to work and their willingness and ability to learn. The organisation is more likely to seek to retain those whose skills are needed and valued than those whose skill portfolio is out of date. Within our case study organisations, there were instances of individuals whose skill sets were very different from those that the organisation now needed: for example, manual workers whose jobs had been completely overtaken by new technology and where new jobs within the organisation were of a very different type. In a communications organisation, individuals would be retained if there was a commonality of skill, albeit in very different environment, *ie* engineers trained in one media would be redeployed to a different media in preference to redundancy.

The higher the currency of the skills the displaced individual possesses, the more likely it is that they will be redeployed internally within the organisation (see Figure 4.1).

4.2.2 The tightness of the labour market

The tighter the external labour market (and therefore the more difficult it is for the organisation to find labour), the more likely it is that displaced employees will be deployed internally (see Figure 4.2).

Figure 4:2: The impact of labour market tightness



Source: IES, 1999

4.2.3 The economic drivers operating

Finally, the better the economic conditions of the organisation, *ie* in times of growth and recruitment activity, the more likely it is that employees will be retained. In different economic circumstances, organisations' responses to employability are determined not by their need to reduce staff but to retain staff.

The need to cut costs was a main driver in the depth of the last recession and can still be a prime driver today. But in many organisations the need to cut costs has been tempered by the need to maintain the morale and commitment of the workforce.

The economic condition of the organisation has a primary effect. If the organisation is in a difficult financial condition then it matters relatively little how current the skills of the displaced staff are, or how tight or loose the external labour markets. For this factor, the reaction of the organisation is far more acute and this driver acts more like a switch than a valve: it is either on or off. If it is on then the response of the organisation will depend on the other drivers, if it is off then the other drivers matter relatively little.

4.2.4 The interplay of drivers

These 'drivers' impact on the *tendency* of an organisation to respond in a particular way, and is of course a simplification. In reality, none of these factors is likely to act independently. It

would be rare for only one condition to exist without the others also working in a similar way, *ie* the better the economic situation of the organisation the more likely it is that this is also true of other organisations, and therefore the tighter the external labour market and the greater the demand for skilled labour. The decision on inplacement or outplacement is not 'all or nothing' but can be thought of as behaving like a pendulum, with the drivers acting to push the likelihood of action in one direction or another.

What we have seen in the organisations that we have spoken to is a shift from external redeployment of displaced staff to a preference for internal deployment as the economic conditions have changed. As the organisation begins to find the internal labour market improving, then as more staff are required, it makes less sense to make displaced individuals redundant (sometimes only to re-employ them as consultants some time later as their skills are still in demand). And so the pendulum has swung back from outplacement towards inplacement.

As conditions change still further it is possible to see that organisations will make quite considerable efforts to retain people rather than let them leave the organisation. In these circumstances the currency of the individual skill may not be a critical factor, if the organisation believes that it can re-skill people to take on new roles. There are advantages in this approach even if the skills gap is considerable:

- the displaced employee possesses organisational know-how that helps make them more effective than a new recruit
- they are more likely to stay with the organisation, which can be an important factor if turnover is beginning to increase
- their retention assists staff morale and commitment, which can convey competitive advantage.

The organisation's experience of these various drivers will affect its predisposition to want to retain staff. Most organisations start with the assumption that they would prefer to retain and redeploy wherever possible, but for some this desire is more explicit and effort expended will be greater; for example, some employers quite explicitly offer 'no redundancy' agreements.

4.3 Summary

The various employers' responses are summarised in the table below, which links the different approaches to the various pressures faced by employers.

Table 4:1: Employers' responses to organisational drivers

Drivers	Approach: Psychological contract	Softening the blow	Inplacement: the flexible friendship	Keeping with kindness
Who (quality of staff)	All	(Low skilled) workers whose skills are displaced by changing skill needs or new technology	Workers whose skills are current in the internal labour market	High skilled, high value workers
Economic driver	Experience of downsizing, loss of morale, loss of loyalty and commitment. Uncertain future	Downsizing or high competitive pressures	Ongoing resourcing demands, cost pressures	Retention and recruitment, issues of highly skilled, highly marketable employees
Organisation's concern	Morale and commitment	Morale and cost	Best value	Competitive advantage through quality differentiation
Horizon of action	Strategic Mid-term	Reactive Short-term Explicit	Reactive Short-term Implicit or explicit	Strategic Long-term Implicit or explicit

Source: IES, 1999

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5. Putting Policy into Practice

We have seen that employers' philosophical approaches to employability can be seen as being influenced by various drivers, but what do employers actually do in practice? Practical attempts to enhance employability need to be understood by reference to what the concept encompasses.

5.1 Employer practices

We have seen (Chapter 2) that employability is about:

- assets, *ie* skills, knowledge and attitudes
- marketing and deployment skills, and
- presentational skills
- in the context of personal circumstances and the labour market.

It might be expected that any organisational approach to employability is likely to be most effective if it deals with all aspects of employability. If it only looks at a single aspect such as skills but does not address how individuals market themselves and present those skills, it is only dealing with part of the concept. A co-ordinated response would involve policies, procedures and practices that addressed all of these issues. But these elements of employability are not equally valid or crucial in all circumstances. The value of an individual's assets will be relative to the level of competition within the labour market. Similarly, the need for marketing and deployment skills will depend, in part, on the tightness of the labour market and the degree of stability of demand for the skills that the individual possesses. The importance of presentational skills will also be most relevant where the individual is competing with others for available jobs.

5.1.1 Assets

Employability Assets

These comprise an individual's knowledge, skills and attitudes. We can usefully distinguish between:

- knowledge and skills, and
- personal attributes and attitudes.

All of the organisations that we spoke to were offering some element of asset enhancement. We have seen that organisations put most effort into skill acquisition, providing training and development opportunities to individuals to increase their knowledge or skills in certain relevant subject areas. We have also seen that much of this effort is placed on technical skills and yet we know that employers see employability as being much wider than this.

Employers concentrate on technical skills and generally shy clear of soft skills because such development is much harder to do. There are some conflicts here for employers. They recognise that the skills of employability are technical skills and crucially also the skills of dealing with other people, of being independent, responsible workers and of being committed, honest and trustworthy.

In our case studies we had one example of an employer plagued with problems of surplus staff who lacked the most basic skills of literacy or competency in English. They felt that helping employees with such basic skill acquisition was beyond them, likely to be too large a drain on resources, and too long term a commitment.

While acknowledging the importance of these alternative skills, it is likely that employers are at a loss as to how to help people with these if they are deficient. They tend to be viewed as life skills, crucial but tacit, *ie* difficult to convey how they are acquired or deployed. Nonetheless, there have been examples of such development programmes in community work schemes but they do require intensive assistance.

5.1.2 Marketing and deployment skills

Skills needed to market employability assets

- career management skills – commonly identified as self-awareness, *ie* diagnosing occupational interests and abilities; opportunity awareness, knowing what work opportunities exist and their entry requirements, *ie* labour market knowledge; and decision-making skills to develop and implement a strategy of getting from where you are to where you want to be
- job search skills – *ie* finding suitable jobs and an ability to access both formal and informal networks
- approach – being adaptable to labour market developments, realistic about labour market opportunities, and willing to be occupationally and locationally mobile.

Our case studies were much more rarely offering an approach to employability that included assistance with skills associated with marketing and deploying employability assets. We saw one example of career management workshops, and some organisations are providing opportunities to consider career interests as part of personal development workshops and development centres. Where organisations do provide such assistance, it tends to be specifically geared to career management skills with regard to understanding the external or internal labour market. Three of our case studies were exhibiting a more comprehensive approach, including some assistance with job search skills. Our public sector organisations were offering career workshops, and our media organisation offered quite widespread access to career counselling for both displaced staff and those that might consider themselves to be stuck in career terms.

5.1.3 Presentation

Processes needed to present employability assets

- the presentation of CVs *etc.*, (which may include Records of Achievement)
- the qualifications individuals possess (both academic and vocational), perhaps accredited through prior learning
- references and testimonies
- interview technique and, of particular importance
- work experience/track record.

Again it was rare for employers to be offering anything to their workforce that covered presentational issues. Those that did were essentially following an approach with its origins in outplacement; this is betrayed by their use of a mix of approaches including CV and interview preparation.

Where there has been a growth in response, is in the use of NVQs and other forms of accreditation as providing portable qualifications to employees.

5.1.4 Context

> Finally, and crucially, the ability to realise or actualise 'employability' assets depends on the individual's personal and external circumstances and the inter-relationship between the two.

Very few employers provide any assistance on contextual issues, although all would argue that their equal opportunity policies would provide protection against personal circumstances, such as parental responsibility or ethnicity, impacting on an individual's ability to be placed internally. One employer that we spoke to ring-fenced vacant jobs so that displaced employees could apply for them in advance of other employees. We have seen elsewhere that this approach is widespread amongst those employers seeking to redeploy numerous employees displaced by organisational change, technological advancement or recession. This manipulates the internal labour market to provide vulnerable staff with enhanced opportunities.

5.2 A minimum set of employability processes

If employers do not provide a strategic set of processes to enhance employability, is there a set of processes that this research indicates would provide for effective assistance?

We have seen that the concept of employability can be conceived of as four discreet areas of activity, and we might expect that to be maximally effective, employers would do well to put in place a range of processes that map against these activities. Figure 5.1 builds on research by IES on career interventions (Hirsh and Jackson, 1996b) and illustrates the key activities which act on the four elements of employability:

Figure 5:1: An ideal set of employability processes

Source: IES 1999

- assets — skill development activities which seek to develop an individual's technical and vocational skill set as well as softer skills such as leadership or communication. The more generic the skill, *ie* the wider its applicability, the more valuable it is in employability terms.
- marketing and deployment skills — a range of processes including appraisal (including 360-degree feedback), personal development planning and career counselling procedures, designed to promote vocational self-awareness and attitudes towards skill development *etc*. Also included here would be opportunity awareness, *eg* how to use internal vacancy filling processes *etc*.

- presentation — processes to help people present their assets, accrediting skills, *eg* through NVQs, as well as being skilled in writing CVs, and application forms and undergoing selection interviews and other recruitment procedures.
- personal circumstances and the labour market — here employer recruitment and selection policies are crucial and the extent to which they take account of personal circumstances, *eg* in terms of caring responsibilities or disabilities.

By focusing on the functions that employability processes are designed to support, the model can help organisations put in place a coherent set of processes to assist employees maximise their employability.

We have already suggested that employers do not widely provide processes that map against these functions. The most common response is to concentrate on building assets for individuals, perhaps because this is the easiest function to address. Far fewer organisations put in place processes that provide for the other aspects of employability. Interestingly, employers' responses were moulded by their original approach to employability.

One of the key questions for us was to understand if there was a universal set of processes and practices to enhance employability that all employers shoud ideally be offering, or should the response of employers vary according to their approach and rationale for offering help with the employability of their staff? When the different approaches are examined in more detail, the desirability of a stratified response becomes clear.

5.2.1 The psychological contract

Those employers offering employability who are motivated by the psychological contract, tend to be looking medium to long term. There is no immediate need for a move to a new job or a new employer. Therefore the need to offer those skills and attitudes involved in the act of transition are not necessary (there is an issue here of what processes add to the stock of employability and which add to the ability to make a transition now). Presentation and marketing skills are needed for transition and that is likely to be perceived as being some time away.

5.2.2 Softening the blow and inplacement, the flexible friendship

If employers genuinely want to facilitate the redeployment of staff to new roles either within or outside the organisation, immediately or in the short term, a total response is likely to be the most successful solution. These individuals have to make the act of transition as soon as possible, and therefore everything that can assist them to deal with all the aspects of employability will maximise their chances of a successful transition.

In our research, the widest provision on employability came from those who were pursuing employability because of an economic need to redeploy displaced staff either externally or internally. Others, such as those employers who were motivated by retention issues or the psychological contract, did not tend to provide processes beyond asset building.

5.2.3 Keeping with kindness

Employers motivated by retention concerns are maximising employability to keep people. Employability is perceived as primarily being conveyed by an up to date and highly marketable skills portfolio. Such individuals are in high demand and this means presentational skills and marketing skills are likely to be less important. In a retail analogy, the goods are in such demand that, wrapped in a brown paper bag and with not an advert in sight, we would still see them walking off the shelves.

The essence of this approach is for the employer to give the employee what they value so that they do not seek it elsewhere. For such key staff, presentational and marketing skills will be perceived as less valued in terms of the employer offering. Employers in turn may feel that their provision pushes the balance too far from their ideal of a retention strategy, towards an outplacement strategy. In this situation we have two key factors:

- the employees would not value the wider offering
- it would be contrary to the rationale of using employability to maximise retainability.

5.2.4 The community employer

The community employer's stance differs from the other approaches to employability, being much more of an ethically driven concept. The response of such employers will depend on the other drivers operating for them and the immediacy of any transitions necessary. This approach can sit alongside some of the other approaches and provide a unique context for the employer's responses.

5.3 The immediacy of transition

We also need to take into account the temporal element to the application of employability activities. The closer in time to the need for transition, the more likely it is that transition skills will be provided. The more time the individual or the organisation have to enhance employability, the more chance they have to tackle those aspects that take some time to develop, *eg* assets.

The different approaches can be aligned to this temporal quality and to those aspects of employability that they are likely to provide assistance with: see Figure 5.2.

Some employers provide presentational and marketing assistance while doing relatively little to provide a good skill base for individuals. Other employers may place considerable effort on technical skill development, but do relatively little on personal skills or presentation.

Figure 5:2: Relationship between time available and response

Job transition imminent			**Job transition possible long term**
←			→
Context	**Presentation**	**Marketing**	**Skills & abilities**
Inplacement	*Outplacement* *Inplacement*	*Outplacement* *Inplacement* *Psychological contract*	*Outplacement* *Inplacement* *Psychological contract* *Retention*

Source: IES 1999

A key question is:

> *Do organisations adopt an approach to employability that shows such integration between approach and immediacy of demand and motivation?*

In our, admittedly limited, research, such integration was rare. It was visible in a few organisations but most adopted a more piecemeal type of approach.

5.4 So what can employers do about employability?

It is clear from our case studies and review of the literature that very few employers adopt a comprehensive or integrated approach to developing the employability of their employees. We deliberately focused on those that have an avowed strategy towards enhancing employability, yet in most cases the rhetoric exceeded the reality.

This does not mean adopting a simple monolithic model. It is also clear from our research that the policies needed to enhance employability vary according to the individual and their particular circumstances. Furthermore, employers' strategies towards employability will also vary, depending on the occupational make-up of their workforce, the labour markets in which they operate, their overall human resources strategy and, crucially, their financial circumstances.

Employers seem strongest on talking about employability, about the need for individuals to take responsibility for keeping their skills up to the mark and be adaptable and flexible in the face of changing labour market needs. Exhortation is the basis of most employers' strategies on employability. Relatively few go far beyond it.

Where they do, policies tend to:

- focus on a few key occupational groups, those for whom employability may be a form of retention and those for whom employability is a palliative in the face of redundancy, and do not address the workforce as a whole
- be constructed to fit a major structural change, such as plant closure or major re-organisation, and therefore tend to smack of opportunism or necessity rather than deliberate strategy

- rely serendipitously on re-packaging existing career or development practices, rather than deliberately addressing the needs of their workforce in the labour markets in which they operate.

Very few offer a comprehensive or bespoke approach covering their entire workforce. But it can be done, and there are competitive advantages to employers to do so. We did find one example, summed up in the desire to make their workforce 'able to go, but want to stay'.

Other commentators recognise that employers could do more to enhance the chances of the employees fulfilling their potential through sustainable employment. The CBI (1999) outlines a five-point cycle of best practice:

- commitment — to employability
- planning — matching business and individual skill needs over the medium term
- action — in terms of training education, development, secondments *etc.*
- recognition — of individuals who enhance their employability through pay or non-pay methods
- evaluation — judging what works and what the impact is.

Underpinning this cycle, the CBI say that employers should also ensure equality of opportunity, and work closely with education institutions to promote employability in the wider community.

In this report we have outlined a range of practices that employers could adopt to build the employability of their workforce. A checklist to help employers develop a comprehensive policy towards employability is presented here.

In some ways employers are the missing piece of the employability jigsaw. The State has an obvious role to play through the provision of foundation education, youth and adult training. It also has a particular role to play with disadvantaged groups including the unemployed.

Individuals themselves need to take responsibility for their own skills development and how they deploy and present those skills.

Employer checklist for employability

- Be clear why employability is felt to be a desirable initiative.
- Explore when job transitions may be likely and who would be affected.
- Consider the organisation's financial circumstances, the skills of the workforce and the external labour market conditions.
- Decide which aspects of employability are likely to be the most important.
- Develop processes that will enhance those aspects of employability judged to be most useful.
- Communicate the organisation's commitment to employees.
- Sell the approach to line managers and individuals.
- Clarify roles and responsibilities — who needs to do what? What is the role of the individual?
- Monitor and evaluate the approach taken.

However, with the majority of the adult population in work and most training and development taking place within a work context, employers have a crucial role to play in contributing to the long-term employability of their employees. Our research suggests that while some are taking this role seriously, many still have a long way to go.

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Employability and Employers: the missing piece of the jigsaw

P Tamkin, J Hillage

Employers talk a lot about employability, but relatively few go far beyond exhortation. Where they do, policies tend to focus on a few staff groups and not address the workforce as a whole, smack of opportunism or necessity rather than deliberate strategy, and re-package existing career or development practices, rather than addressing the emerging needs of their workforce.

This report pins down the concept of employability into a workable definition. Based on a review of approaches adopted in a series of case study organisations, it develops an emerging framework of appropriate employer responses, and provides a checklist to help employers develop comprehensive policy and practice.

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